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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:
PG&E CORPORATION,
-and-
PACIFIC GAS & ELECTRIC
COMPANY,
Debtors.

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas & Electric
Company
☒ Affects both Debtors

**All papers shall be filed in the Lead
Case, No. 19-30088 (DM)*

Case No. 19-30088 (DM)
Chapter 11 Lead Case
(Jointly Administered)

**GOVERNOR GAVIN NEWSOM'S
RESERVATION OF RIGHTS IN
CONNECTION WITH HEARING TO
CONSIDER APPROVAL OF [PROPOSED]
DISCLOSURE STATEMENT FOR
DEBTORS' AND SHAREHOLDER
PROONENTS' JOINT CHAPTER 11 PLAN
OF REORGANIZATION**

[Related to Docket No. 5700]

Date: March 10, 2020
Time: 10:00 a.m. (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

Governor Gavin Newsom, by and through his counsel, O'Melveny & Myers LLP, respectfully submits this reservation of rights (the "**Reservation of Rights**") in connection with the hearing to consider approval of the *[Proposed] Disclosure Statement for Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization* [Docket No. 5700] (the "**Disclosure**

1 **Statement**)”).¹ Governor Newsom files this Reservation of Rights in his official capacity as
2 Governor of the state of California, but not on behalf of any agency, department, unit or entity of
3 the state of California.² In support of the Reservation of Rights, Governor Newsom respectfully
4 states as follows:

5 1. The state of California’s objectives are resolute: (i) Californians must have access
6 to safe, reliable and affordable service; (ii) wildfire victims must be treated fairly; and
7 (iii) California must continue to make progress on its climate change goals.

8 2. The Governor previously expressed his belief that the Plan and the restructuring
9 transactions contemplated therein do not, in his judgment, result in a reorganized utility that
10 satisfies the requirements of AB 1054. The Debtors have made modifications to the Plan to address
11 certain, but not all, of the Governor’s concerns.

12 3. The Governor’s staff and advisors continue to engage in productive discussions with
13 the Debtors’ advisors and professionals in an effort to address the Governor’s remaining concerns
14 regarding compliance with AB 1054. The CPUC is also conducting the Plan OII and will render its
15 decision at the end of the process. The result of these efforts may lead to a plan that in the
16 Governor’s view satisfies AB 1054.

17 4. Under normal circumstances, it may be prudent for the Debtors to delay solicitation
18 until the Plan can be further refined to meet AB 1054. The Governor’s Office, however, is
19 cognizant that the June 30, 2020 deadline codified in AB 1054 creates unusual tension in these
20 Chapter 11 Cases that results in any delay endangering the Debtors’ ability to ultimately obtain the
21 benefit of the provisions of AB 1054. Additionally, modifications to the Plan to resolve the
22 concerns of the Governor’s Office should not jeopardize the confirmation process as the Governor
23 believes those changes would create a stronger and better managed utility and inure to the benefit
24 of all of the Debtors’ constituents.

25 5. Therefore, the Governor does not object to the Disclosure Statement or the
26 solicitation of votes to accept or reject the Plan; however, the Governor reserves all rights with

27 ¹ Capitalized terms used but not defined herein have the meaning given to such terms in the Disclosure Statement.

28 ² The Attorney General has appeared in these proceedings on behalf of certain agencies and departments of the state of California. The Governor does not take a position on the issues raised in those filings in this pleading.

1 respect to confirmation of the Plan and other plan related issues.

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3 Dated: March 6, 2020

O'MELVENY & MYERS LLP

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5 By: /s/ Jacob T. Beiswenger

6 JACOB T. BEISWENGER

7
8 By: /s/ Matthew L. Hinker

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